

-2-

IN THE CLAIMS

Please amend the claims as follows.

1. (Currently Amended) A method performed utilizing a computer system, the method comprising:
for simulating an optimal price, utilizing a computer system;
wherein a distribution of prices associated with at least one non-optimized supplier is identified;
wherein a set of non-optimized prices is produced based on the distribution of prices associated with the at least one non-optimized supplier;
wherein the optimal price is generated by receiving a plurality of prices associated with a price-frequency mathematical distribution, a number of competitors, a business objective, and a cost associated with a good or service, and identifying the optimal price based on the prices, number of competitors, business objective, and cost associated with the good or service;
wherein the business objective is selected from the group consisting of maximizing revenue for the good or service, maximizing gross profit for the good or service, maximizing factory utilization for the good or service, maximizing market share for the good or service, and maximizing earnings before income tax (EBIT) for the good or service;
wherein the optimal price is determined;
wherein one price for each competitor is selected from the distribution of prices;
wherein the optimal price is compared with the prices of at least one of the competitors and results of each comparison is stored;
wherein feedback is utilized in generating an updated optimal price by identifying a result of utilizing the optimal price,
where the at least one result is stored, and a search is performed for the updated optimum price that optimizes a user-selected business objective selected from the group consisting of maximizing revenue for the good or service, maximizing gross profit for the good or service, maximizing factory

-3-

utilization for the good or service, maximizing market share for the good or service, and maximizing earnings before interest and tax (EBIT) for the good or service,

where

a) the result includes an expected result.

b) the expected result is compared with an actual result,

c) it is determined whether an optimization is required based on the comparison, and

d) if it is determined that the optimization is required, a new price value is identified.

2. (Original) A method as recited in claim 1, and further comprising receiving a plurality of sets of one or more prices.
3. (Original) A method as recited in claim 2, wherein the sets of one or more prices are customizable.
4. (Original) A method as recited in claim 2, and further comprising comparing the sets of one or more prices.
5. (Original) A method as recited in claim 4, and further comprising reporting on the comparison.
6. – 14. (Cancelled)
15. (Original) A method as recited in claim 1, wherein the method is performed by a plurality of components including a frequency distribution engine, a probability of win engine, an expected results engine, an optimization update engine, a bid engine, a market place engine, and a financial accumulator engine.

-4-

16. (Original) A method as recited in claim 1, wherein the method is performed by a plurality of components selected from the group of a frequency distribution engine, a probability of win engine, an expected results engine, an optimization update engine, a bid engine, a market place engine, and a financial accumulator engine.

17. (Currently Amended) An optimal price simulator system, comprising:
a plurality of interconnected data processing components implemented on a computer for simulating an optimal price, including a frequency distribution engine, a probability of win engine, an expected results engine, an optimization update engine, a bid engine, a market place engine, and a financial accumulator engine;

wherein a distribution of prices associated with at least one non-optimized supplier is identified;

wherein a set of non-optimized prices is produced based on the distribution of prices associated with the at least one non-optimized supplier;

wherein the optimal price is generated by receiving a plurality of prices associated with a price-frequency mathematical distribution, a number of competitors, a business objective, and a cost associated with a good or service, and identifying the optimal price based on the prices, number of competitors, business objective, and cost associated with the good or service;

wherein the business objective is selected from the group consisting of maximizing revenue for the good or service, maximizing gross profit for the good or service, maximizing factory utilization for the good or service, maximizing market share for the good or service, and maximizing earnings before income tax (EBIT) for the good or service;

wherein the optimal price is determined;

wherein one price for each competitor is selected from the distribution of prices;

wherein the optimal price is compared with the prices of at least one of the competitors and results of each comparison is stored;

wherein feedback is utilized in generating an updated optimal price by identifying a result of utilizing the optimal price,

-5-

where the at least one result is stored, and a search is performed for the updated optimum price that optimizes a user-selected business objective selected from the group consisting of maximizing revenue for the good or service, maximizing gross profit for the good or service, maximizing factory utilization for the good or service, maximizing market share for the good or service, and maximizing earnings before interest and tax (EBIT) for the good or service,

where

a) the result includes an expected result.

b) the expected result is compared with an actual result,

c) it is determined whether an optimization is required based on the comparison, and

d) if it is determined that the optimization is required, a new price value is identified.

18. (Currently Amended) A computer program product embodied on a computer readable medium, comprising:

computer code for optimizing and simulating an optimal price;

wherein a distribution of prices associated with at least one non-optimized supplier is identified;

wherein a set of non-optimized prices is produced based on the distribution of prices associated with the at least one non-optimized supplier;

wherein the optimal price is generated by receiving a plurality of prices associated with a price-frequency mathematical distribution, a number of competitors, a business objective, and a cost associated with a good or service, and identifying the optimal price based on the prices, number of competitors, business objective, and cost associated with the good or service;

wherein the business objective is selected from the group consisting of maximizing revenue for the good or service, maximizing gross profit for the good or service, maximizing factory utilization for the good or service, maximizing market share for the good or service, and maximizing earnings before income tax (EBIT) for the good or service;

-6-

wherein the optimal price is determined;

wherein one price for each competitor is selected from the distribution of prices;

wherein the optimal price is compared with the prices of at least one of the competitors and results of each comparison is stored;

wherein feedback is utilized in generating an updated optimal price by identifying a result of utilizing the optimal price,

where the at least one result is stored, and a search is performed for the updated optimum price that optimizes a user-selected business objective selected from the group consisting of maximizing revenue for the good or service, maximizing gross profit for the good or service, maximizing factory utilization for the good or service, maximizing market share for the good or service, and maximizing earnings before interest and tax (EBIT) for the good or service,

where

a) the result includes an expected result,

b) the expected result is compared with an actual result,

c) it is determined whether an optimization is required based on the comparison, and

d) if it is determined that the optimization is required, a new price value is identified.

19. (New) A method as recited in claim 1, wherein a graphical user interface is included for inputting a set of the competitor prices and the number of competitors.

20. (New) A method as recited in claim 19, wherein the graphical user interface is adapted for inputting the business objective.

21. (New) A method as recited in claim 19, wherein a graphical user interface is included for inputting a value for a cost-per-unit, an error rate, and an optimization update.

-7-

22. (New) A method as recited in claim 22, wherein the price-frequency mathematical distribution is used to estimate the set of the competitor prices.
23. (New) The method as described in claim 22, wherein the price-frequency mathematical distribution is estimated using the set of competitor prices.
24. (New) The method as described in claim 22, wherein the price-frequency mathematical distribution is converted to an expected probability of a customer purchase based on the number of competitors.
25. (New) A method as recited in claim 22, wherein the price-frequency mathematical distribution is converted to a table of prices with a frequency of a price within the table corresponding to the price-frequency mathematical distribution.
26. (New) A method as recited in claim 25, wherein each price, probability of a customer purchase, and cost-per-unit are used to form a partial income statement for each member of the plurality of prices.
27. (New) A method as recited in claim 26, wherein each partial income statement is comprised of financial terms including revenue, cost-of-goods, and gross profit.
28. (New) A method as recited in claim 27, wherein a set of the partial income statements are stored within a table.
29. (New) A method as recited in claim 1, wherein a maximum revenue value and a maximum profit value are identified along with corresponding prices.
30. (New) The method as described in claim 1, wherein a probability of a customer purchase is determined for the optimal price.
31. (New) A method as recited in claim 1, wherein a number of randomly selected prices corresponding to the number of competitors is chosen.

-8-

32. (New) The method as described in claim 31, wherein a lowest price in a set of prices is identified as a winning bid along with a corresponding supplier, the lowest price including the number of randomly selected prices and the optimal price.

33. (New) The method as described in claim 32, wherein the winning bid and the probability of a customer purchase is added to an actual results table comprising of fields identifying a winning supplier, lowest price, cost-per-unit, gross profit, probability of a customer purchase, and actual winrate.

34. (New) The method as described in claims 33, wherein a value for competition is calculated by summing each event of randomly selecting a set of prices corresponding to the number of competitors.

35. (New) A method as recited in claim 34, wherein a value is calculated representing a sum of wins corresponding to the supplier.

36. (New) The method as described in claim 35, wherein the actual winrate is calculated by dividing the sum of wins by the value for competition.

37. (New) The method as described in claim 36, wherein if a condition where the value for competition is equal to or greater than an optimization update window value, and the actual winrate is greater than the expected probability of a customer purchase plus a tolerable error window value, or the actual winrate is less than the probability of a customer purchase minus the tolerable error window value, then the price-frequency mathematical distribution is adjusted so that a new expected probability of a customer purchase is equal to the actual winrate, and recorded values of wins and competition are set to zero.